

Michael J. Connolly, Esq.
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Attorneys for Alleged Debtor

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X

Case No. 09-44979 (ESS)

In Re:

Involuntary Chapter 7 Proceeding

LESSNO, LLC,

Alleged Debtor.

-----X

OPPOSITION TO MOTION FOR SANCTIONS

The Alleged Debtor, Lessno, LLC (“Lessno”), in response to the Petitioning Creditor’s Motion for Sanctions states as follows:

OVERVIEW

The Petitioning Creditor’s Motion for Sanctions should be denied as the Alleged Debtor has repeatedly responded to the numerous discovery demands imposed upon it by the Petitioning Creditors. On numerous occasions, the Alleged Debtor has provided pertinent documents responsive to a multitude of discovery demands. Moreover, since the filing of the Motion, the Alleged Debtor has responded to the latest document request by the Petitioning Creditors and advised the Petitioning Creditor prior to the filing of the Motion that the documents would be forthcoming. For the foregoing reasons, the Petitioning Creditor’s Motion should be denied. In the event that the Petitioning Creditors believe that there is a specific document that has not been produced, the Alleged Debtor will make a good faith effort to locate and provide same.

However, the blunderbuss characterization that the Alleged Debtor has not been responsive is entirely misplaced.

BACKGROUND

1. The Petitioning Creditors contend that the Alleged Debtor did not comply with an Order to Produce Documents addressed by the Court on June 18, 2010. This assertion is not accurate. After June 18, 2010, the Alleged Debtor provided the Petitioning Creditors with a disk containing various documents responsive to the document demands. A copy of the forwarding letter is attached as Exhibit "A". In addition, various documents had already been produced in connection with the mediation between the Alleged Debtor and the Petitioning Creditors. The Alleged Debtor allowed a review and inspection of the documents during the course of the mediation and after the Court's ruling directed the mediator to release the physical copies of same to the Petitioning Creditors. A copy of a letter from the Alleged Debtor's counsel to the mediator to that effect is attached as Exhibit "B". The Alleged Debtor also produced additional documents to the Petitioning Creditors on August 20, 2010. A copy of the forwarding e-mail is attached as Exhibit "C". Additional documents were also produced by the Alleged Debtor on September 7, 2010. A copy of the forwarding e-mail is attached as Exhibit "D".

2. The Petitioning Creditors also forwarded a Third Request for Production of Documents which was received on October 11, 2010. A copy of the forwarding e-mail from the Petitioning Creditors' counsel indicating that the initial service was incorrect is attached as Exhibit "E". On November 12, 2010, counsel for the Alleged Debtor advised the Petitioning Creditors' counsel that we have received responsive documents and were in the process of providing same. In addition, at various times, counsel for the Alleged Debtor has asked for

scheduling for a new deposition dates and otherwise attempted to resolve the open discovery items. On November 18, 2010, the Alleged Debtor responded to the third document request.

THE MOTION SHOULD BE DENIED

3. As set forth above, the Alleged Debtor has produced a litany of documents. Prior to the filing of the Motion, the Alleged Debtor forwarded various documents responsive to the Court's prior Order and also advised the Petitioning Creditors that additional responses to the latest document request would be forthcoming. Those documents were also provided. As the Alleged Debtor has complied with the discovery, the Motion for Sanctions should be denied.

4. In the event that there are still some remaining outstanding documents which may not have been produced at this point (as the Petitioning Creditors continually ask for additional documents), the Alleged Debtor will continue in its efforts to timely respond to same.

WHEREFORE, Lessno respectfully requests that this Court deny Petitioning Creditors' Motion.

BY: /s/ Michael J. Connolly, Esq.
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Dated: November 22, 2010

EXHIBIT “A”

**FORMAN
HOLT
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& RAVIN LLC**
ATTORNEYS AT LAW

Charles M. Forman**
Michael E. Holt**
Daniel M. Eliades*
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Harry M. Gutfleish**
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Kimberly J. Salomon**
Robert H. Johnson***
Jonathan S. Bodner***
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OF COUNSEL
Michael J. Connolly***
William A. Calandra*

MEMBER NJ & PA BAR*
MEMBER NJ & NY BAR**
MEMBER NJ BAR***

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REPLY TO PARAMUS

June 30, 2010

Via E-Mail and Regular Mail

Joseph Sanchez, Esq.
Law Office of Joseph Sanchez, P.C.
295 Northern Boulevard, Suite 301
Great Neck, NY 11021

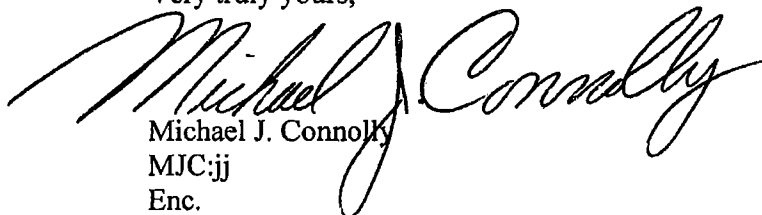
Re: In re: Lessno, LLC
09-44979-ess

Dear Joe:

I enclose a disk which contains various documents produced by the alleged Debtor in response to your document demands. The disk is a comprehensive production of responsive documents and includes some materials which were previously provided to you, together with additional materials which are being produced for the first time, given your client's willingness to enter into the terms of the protective provisions of Judge Stong's Discovery Order.

As you certainly know, Lessno considers these documents to be confidential and intended solely for use within this litigation and not for any other improper purpose. Please be advised that if your clients attempt to use these documents outside the course of this litigation or for an improper purpose, Lessno will seek immediate relief before Judge Stong, including a request for entry of civil contempt against them.

Very truly yours,



Michael J. Connolly

MJC:jj

Enc.

cc: Lessno, LLC
Stefan Minchev

m:\pet\lessno\letters\sanchez.disk.doc

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Paramus, NJ 07652
T 201.845.1000
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888 7th Ave., Suite 4500
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T 212.707.8500
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664 Chestnut Ridge Road
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T 845.371.3451
F 845.371.7667

1615 Jackson Street
Philadelphia, PA 19145
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F 215.925.7192

EXHIBIT “B”

**FORMAN
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Michael J. Connolly***
William A. Calandra*

MEMBER NJ & PA BAR*
MEMBER NJ & NY BAR**
MEMBER NJ BAR***

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REPLY TO PARAMUS

June 30, 2010

Via E-Mail and Regular Mail

Joseph Sanchez, Esq.
Law Office of Joseph Sanchez, P.C.
295 Northern Boulevard, Suite 301
Great Neck, NY 11021

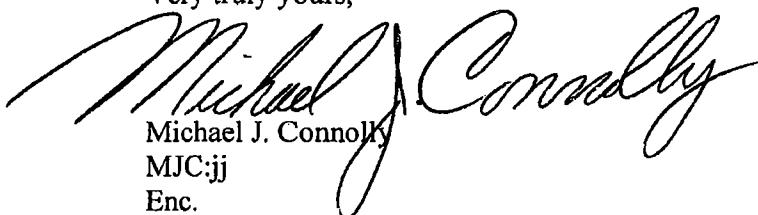
Re: In re: Lessno, LLC
09-44979-ess

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Very truly yours,



Michael J. Connolly

MJC:jj

Enc.

cc: Lessno, LLC
Stefan Minchev

m:\pet\lessno\letters\sanchez.disk.doc

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F 845.371.7667

1615 Jackson Street
Philadelphia, PA 19145
T 215.925.7191
F 215.925.7192

EXHIBIT “C”

Michael J. Connolly

From: Michael J. Connolly
Sent: Friday, August 20, 2010 12:09 PM
To: Joseph Sanchez
Subject: FW: Lessno
Attachments: NEVEQ_Amended and Restated_Certificate for Formation Lessno LLC.pdf; (2009-06-16)
Loan Agreement Lessno.pdf

Documents attached.

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EXHIBIT “D”

Michael J. Connolly

From: Michael J. Connolly
Sent: Tuesday, September 07, 2010 9:55 AM
To: Joseph Sanchez
Cc: Olga Shishkova
Subject: FW: Lessno
Attachments: Additional Info Request No5.pdf; Additional Info Request No7.pdf; KPMG engagement_blacked out.pdf; Lessno relaunch_Bobby_blacked out.doc; Strategic review - Final Draft_lanko_blacked out.doc

JOE –

Here are the additional responsive documents. Please confirm the depositions are going forward tomorrow, that you have a translator, that you will have arrangements for my participation, and that there are no other foreseeable problems. Please note that I will not allow the depositions to go forward if you have not made arrangements for my participation.

Michael J. Connolly, Esq.
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E-Mail: mconnolly@formanlaw.com

EXHIBIT “E”

Michael J. Connolly

From: Joseph Sanchez [josephrsanchez@gmail.com]
Sent: Monday, October 11, 2010 3:55 PM
To: Michael J. Connolly
Subject: LESSNO, LLC (Ch-7 1-09-44979-ess)
Attachments: Lessno - Third Request for Production of Documents.pdf

Michael, I just noticed that I inadvertently served you these documents at the wrong address, I will re-serve today. Thanks.

--

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